

# Claremont discusses tax cap options

◆2.5 percent: Residents hear about experiences in other New Hampshire cities.

By KRISTEN SENZ  
Union Leader Correspondent

**CLAREMONT** — About 50 people turned out last night for a discussion about adopting a 2.5 percent tax cap.

Claremont City Manager Guy Santagate first proposed a 2.5 percent tax cap for the city, the school district and Sullivan

County government late last month. About 25 officials from the three government entities, as well as Sen. Bob Odell, R-Lempster, came to last night's meeting to discuss and gather information about the proposal, which would require ballot votes and state legislation for the county cap.

"This is not about pointing fingers, or laying blame, or who's at fault," Santagate said at the outset. "It's about how we proceed, or if we proceed."

At \$32.59 per \$1,000 of as-

sessed property, Claremont has one of the highest tax rates in the state for 2009. Of the total amount to be raised through property taxes on Claremont residents, 43 percent will fund the local school district, 40 percent will go to the city, 9 percent will fund county government operations and 8 percent pays the state education tax, according to the New Hampshire Department of Revenue Administration.

The tax cap would restrict the city council, the school board

and the county government from increasing spending more than 2.5 percent over the previous year. With the 2.5 percent tax cap in place, a person who owns a house worth \$150,000 would not see an increase in property taxes of more than \$122 annually, Santagate said.

"I think that we need to really look at this as a way of helping people," he said. "It creates stability and predictability on the property taxes."

Capping tax rate increases at

► See Claremont, Page B2

## Claremont

Continued From Page B1

2.5 percent, which is about the annual rate of inflation, would force local governments to become more efficient, Santagate added. Matt Murphy of the New Hampshire Advantage Coalition said a tax cap helps avoid tax rate spikes and keeps spending increases reasonable over the long-term.

Franklin Mayor Ken Merrifield said a tax cap instituted in his city has become more and more popular among voters since it was first passed about 20 years ago.

"People generally, I think, before they have experience with a measure like this, are concerned that you're not going to be able to pay for what you want to do," he said, but Franklin has made significant improvements, including a recent school addition, with the tax cap in place.

The equalized value of property in Franklin has risen faster than neighboring cities and the state as a whole in each of the last five years, Merrifield said.

"In business, we call that a trend, and I would say it's a healthy trend," he said.

But the Franklin City Council has final say over the local school board's budget each year, Merrifield said. That's different from school district governance in Claremont, where

the school board dictates district spending, and residents vote annually on the board's budget.

When Merrimack County government, which has not adopted the cap, increases taxes over the cap in a given year, Merrifield said, the city of Franklin absorbs the increase, and taxpayers experience only an inflationary increase. Sullivan County officials expressed apprehension about the tax cap, citing cost shifting from the federal and state governments down to the county level.

As of 8:30 last night, officials in Claremont had not determined a course of action with regard to the proposed tax cap, but some officials said they'd be willing to further explore the concept and possibly assemble a commission to study the issue.

"I think we're all intrigued by what we're hearing and I think we need to look into it further," Claremont School Board member David Putnam said.

In addition to Franklin, other New Hampshire municipalities, including Rochester, Dover and Derry, have adopted tax caps, Murphy said. Manchester and Concord are working toward putting tax cap proposals on ballots in November.